

SPAWARINST 5000.19A
SPAWAR 01-6
20 July 2001

SPAWAR INSTRUCTION 5000.19A

From: Commander, Space and Naval Warfare Systems Command

Subj: EARNED VALUE MANAGEMENT REQUIREMENTS FOR SPACE AND
NAVAL WARFARE SYSTEMS COMMAND (SPAWAR) CONTRACTS AND
TASK STATEMENTS

Ref: (a) DoDINST 5000.1, "Defense Acquisition" dtd 23 Oct 00
(b) DoDINST 5000.2, "Operation of the Defense Acquisition System"
dtd 04 Jan 01
(c) DoD Regulation 5000.2-R, "Implementation of Mandatory Procedures for
Major and Non-Major Defense Acquisition Programs and Major and
Non-Major Information Technology Acquisition Programs" dtd 10 Jun 01
(d) DoD Earned Value Management Guide; ASN (RD&A) NAVSO P3627 dtd 3 Oct 97
(e) DoD Cost/Schedule Status Report Joint Guide, ASN (RD&A) P3647 dtd 1 May 96

1. Purpose. To establish policy, requirements and responsibilities for the collection and analysis of Earned Value Management (EVM) performance data from contractors and SPAWAR activities, and for the use of such information in monitoring and controlling contracted efforts.
2. Cancellation. SPAWARINST 5000.19 is hereby cancelled and superseded.
3. Background. A fundamental responsibility of program managers in the acquisition of SPAWAR systems and products is to manage their contracts within cost and schedule limitations. To accomplish this, program managers should ensure that performance is adequately reported, monitored and assessed. Meaningful cost and schedule performance data must: (a) portray budgets allocated over time for specific contract tasks; (b) indicate work progress periodically; (c) properly relate cost, schedule and technical accomplishments; (d) be valid, timely and auditable; (e) directly support direct forecasts of costs at completion; and (f) supply program managers with information at a practical level of summarization. This data is required from contractors and performing field activities in formal reports, defined as contractually required deliverable data items. These formal reports may be tailored.
4. Policy. It is the policy of Space and Naval Warfare Systems Command to implement EVM reporting and contractor performance measurement according to effective Department of Defense (DoD) and Department of the Navy (DoN) requirements and to request all reports using electronic Commerce and Electronic Data Interchange per references (b), (c) and (d).

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5. Requirements. This instruction establishes the basis for compliance with two types of reporting requirements set forth by references (a) through (e). These instructions define the format and content of each of the report types that must be secured from contractors to provide for the collection and analysis of cost and schedule performance data. Included are the conditions for mandatory applicability according to contract types, program categories and cost thresholds.

a. The requirements for two types of cost/schedule performance measurement reports, the Cost Performance Report (CPR) (DI-MGMT-81466) and the Cost/Schedule Status Report (C/SSR) (DI-MGMT-81467) are established in references (c), (d) and (e). Implementation guidance for the two reports is provided in references (d) and (e). Contractors' management systems must meet requirements set by reference (d).

(1) The CPR is required in all prime contracts and subcontracts which are Research, Development, Test, and Evaluation (RDT&E) contracts with values of \$73 million or more (FY00 constant dollars), or procurement contracts with values of \$315 million dollars, or more (FY00 constant dollars). By exception, EVM shall be required on firm fixed price contracts, level of effort services contracts, basic ordering agreements, time-and-material contracts and labor hour contracts. Application to significant contracts of less value than these thresholds is authorized at the discretion of the program manager or as directed by higher authority.

(2) The C/SSR is required on prime contracts and subcontracts with values below the CPR thresholds noted above. Application to contracts of less than \$6.3 million (FY00 constant dollars) should be evaluated to ensure that only the minimum data needed for effective management control is required. Again, reporting requirements on firm fixed price contracts and the other kinds of contracts defined above under CPR are to be applied by exception.

6. Responsibilities

a. Program Directors (PDs) shall monitor cost and schedule performance of all programs under their purview and have the specific responsibility to ensure:

(1) Requirements of this instruction are implemented by all program managers within their directorates.

(2) Weekly Staff Meeting presentations are designed to adequately address contract performance and to identify potential problems.

b. Program Managers (PMWs) are responsible for the execution of programs to meet technical requirements on schedule and within budgeted cost. Their responsibilities include:

(1) Ensuring that appropriate contract cost(s) and schedule reporting requirements defined herein are incorporated into acquisitions under their cognizance, including appropriate implementation in the Acquisition Plan (AP) in accordance with FAR, Part 7, the Procurement Request (PR) package, and the Contract Data Requirements List (CDRL), DD Form 1423.

(2) Ensuring that CDRLs include provision for copies of contractor performance measurement reports (CPRs and C/SSRs) go to the Cost Estimating and Analysis Division, SPAWAR Code 01-6.

(3) Ensuring that assessing reported earned value data to ensure potential problems are identified as soon as possible and either resolved or brought to upper management's attention when adverse impacts on the program are anticipated.

(3) Taking action to resolve specific problems and to reverse undesirable trends.

d. SPAWAR Code 01-6 shall serve as the command focal point for implementation of these requirements, including:

(1) Reviewing Acquisition Plans, Procurement Requests, Contract Data Requirement Lists, Statements of Work, solicitations and contracts, as requested by the PMs or PCOs, to determine applicability and application of required reports and to provide proposed wording for each document to the PMW when reports are determined to be required.

(2) Acting as the PMW's representative on the contractor management system review team. Tasks include initiating the planning, scheduling and staffing of all contractor systems reviews; coordinating the reviews with the cognizant PDs and PMWs, and conducting and reporting the reviews, per references (c) through (e).

(3) Providing guidance to support effective implementation of reporting requirements.

(4) Conducting independent evaluation of contractor cost reporting and preparing and submitting reports of independent assessments of contractor performance to cognizant PDs and PMWs.

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7. Action. All SPAWAR headquarters personnel and SPAWAR activities shall implement the policies and requirements, and discharge the responsibilities as detailed in this instruction.

/S/
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